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November 21, 2002

VIA HAND DELIVERY

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Ex Parte, CC Docket Nos. 99-273; 92-105 ; 92-237

Dear Ms. Dortch:

On November 21, 2002, Lois Pines of InfoNXX, Inc. and Gerry Waldron and the undersigned of Covington & Burling met with Dan Gonzalez of Commissioner Martin's Office. Addressed at the meeting were issues raised in the above-captioned dockets. Specifically, that the activation of 555 numbers, coupled with the withdrawal of 411 and 555-1212, is the best option to ensure robust competition in wireline retail directory assistance market. The attached presentation was distributed at the meeting.

This notice is being filed pursuant to Section 1.1206(b) of the Commission's rules. Please do not hesitate to contact me with any questions concerning this matter.

Sincerely,



Rachel C. Welch

Enclosure

cc: Dan Gonzalez

FCC Retail DA Proceeding

Who Is InfoNXX?

InfoNXX is the leading competitive directory assistance provider in the U.S., providing contract DA services for wireless and competitive networks.

InfoNXX pioneered “call completion” service that not only provides a number in response to a DA call but also connects the caller directly to the number.

InfoNXX provides movie listings for local theatres, restaurant reservations, and other information in addition to providing telephone numbers.

InfoNXX uses live operators and provides higher quality service than other DA providers.

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Retail DA Competition In the U.K.

- The U.K. Model
 - In September 2001, Oftel ordered the withdrawal of the DA default codes 192 (national) 153 (international) by August 2003.
 - Oftel introduced new access codes (118XXX) for all DA providers, which were awarded via lottery in May 2002.
 - InfoNXX is investing millions of dollars in the UK retail DA market and will compete against other DA providers beginning in December 2002.
- Background:
 - Oftel conducted consumer studies and found that consumers were ambivalent to the default codes.
 - Oftel determined that introducing a new sequence for all DA providers was the only way to successfully promote competition in the retail DA market.

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The European Experience

“Real” Numbering Parity Is The Key To Competition

- Removing the incumbent default code and establishing a framework where all DA providers have a number of equal pattern and length is the only way to create effective competition.
- Germany, the U.K., Ireland, Sweden, Norway and Spain have followed this model.
- Learning from experience that numbering parity is a pre-condition to competition, Spain and the U.K. have changed their regulatory regimes for the second time in only a few years. Initially, these countries had not required true numbering parity.
- Other regulatory regimes may produce competition initially, but it quickly fades as consumers return to the incumbent provider.

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Other European Models Do Not Result In Effective Competition

- None of the other models implemented by European countries have resulted in effective competition:
 - Switzerland and France introduced new number ranges for competitors and retained the incumbent default code.
 - Denmark and Portugal reserved shorter access codes for incumbents and gave competitors longer codes.
 - Belgium and Greece required competitors to offer DA service only via premium-rate numbers, while incumbents retained their short default code.
- In each instance, after an initial surge to competitive services, competition has faded as consumers turn to the shorter incumbent code.

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Retail DA Competition In The U.S.

The Time Is Now

Implementation of 555 numbers for retail DA competition is the best way to jump-start competition in the retail DA market.

- Elimination of the US default codes – 411 & 555-1212 – is a prerequisite to competition.
- Consumers will readily adapt to using 555 numbers. They are already familiar with the use of 555 numbers for information services.
- ILECs already route 555 numbers – therefore, a 555 solution would not be administratively or technically burdensome.
- Eight years ago, the Commission adopted a decision that entities other than LECs should be able to use national and regional 555 numbers.

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411 Presubscription and Other DA Proposals **Will Not Result in Competitive Benefits**

- 411 Presubscription:
 - Imposes significant technical and administrative burdens on LECs, competitive providers and consumers.
 - Is expensive and time-consuming.
 - Preserves much of the incumbent provider's advantage in the retail DA market.
- Other DA Proposals:
 - 411XX/411XXX. This proposal attempts to preserve some vestige of 411, but would result in consumer confusion and require more education than 555 implementation. In addition, this option would be more difficult to implement because 5-digit and 6-digit numbers are not a standard string in the U.S.
 - Carrier Access Codes (101XXXX). This proposal also would cause consumer confusion because 101XXXX numbers are associated with "dial around" long distance services. Use of CACs potentially would exclude business users from the retail DA market because many PBXs are programmed to block 101XXXX numbers.